

WEEKLY ECONOMIC REVIEW

March 7, 2008

Alberta lost 5,000 jobs in February, down 0.3% from January. Despite the loss, employment in Alberta was up 3% or 57,700 from a year earlier. The province's unemployment rate was at 3.5%, the lowest in the country. The national unemployment rate remained at a 33-year low of 5.8% in February, as a higher-than-expected 43,300 jobs were added to the economy.

U.S. nonfarm payroll employment edged down in February (-63,000), holding the unemployment rate essentially unchanged at 4.8%.

Building permits in Alberta reached \$1,184 million in January, up 4.2% from December, as a decline in residential permits (-2.4%) was offset by an increase in the non-residential sector (+11.6%). The increase was led by the growth in the industrial and institutional components. Nationally, building permits fell by 2.3% in January from December, slipping below the \$6-billion mark for the first time since April 2007.

Canada's real gross domestic product shrank 0.7% in December, pushed down by a drop in factory production, wholesaling and oil and gas output. Quarterly growth slowed to 0.2% from 0.7% in the third quarter, reflecting the export-dampening impact of the rising Canadian dollar. For 2007 as a whole, real GDP grew by 2.7%, a slight

↓	Cdn Dollar (US\$/C\$)	
	March 7, 2008	100.86
	February 29, 2008	102.06
	2007-08 YTD	96.96
↑	WTI Oil US\$/bbl	
	March 6, 2008	\$ 105.47
	February 28, 2008	\$ 102.59
	2007-08 YTD	\$ 80.40
↑	Nymex Natural Gas C\$/MMBtu[*]	
	April Contract	
	March 7, 2008	\$ 9.73
	February 29, 2008	\$ 9.09
*Estimate based on Nymex Futures Market Price		

deceleration from 2006 but in line with the average growth rate of the past five years.

Slowing domestic growth and the weak U.S. outlook pushed the Bank of Canada to cut its overnight interest rate by 50 basis points to 3.5% on Tuesday. The Bank's policy statement indicated that further cuts could be needed to deal with a U.S. economy that will likely "experience a deeper and more prolonged slowdown" than previous projected.

Oil prices closed at a record high of US\$105.47 on Thursday, driven by the combination of a languishing U.S. dollar, a drop in crude stocks, and supply concerns. Natural gas prices increased 64 cents to \$9.73 per MMBtu due to record-high oil prices and cold weather expected for the US Northeast.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month(Y/Y)	Year-to-date ¹
Employment (000s)²	February			
Alberta	1,995	-0.3%	3.0%	3.2%
Canada	17,102	0.3%	2.2%	2.1%
Building Permits (\$ million)	January			
Alberta	1,184	4.2%	1.0%	1.0%
Canada	5,851	-2.9%	-3.3%	-3.3%

Source: Statistics Canada.

¹Year-to-date compared to the same period in the previous year.

²Seasonally adjusted